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OF THE

99TH CONGRESS

PRINTED AT THE DIRECTION OF

HON. JOHN C. DANFORTH, *Chairman*

FOR THE USE OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

MARCH 1985

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LETTER OF TRANSMITTAL

MARCH 1985.

DEAR COLLEAGUE: To accompany the funding resolution adopted by the Committee on Commerce, Science, and Transportation for the first session of the 99th Congress, the Committee has prepared this summary of its goals and objectives for the coming year.

I look forward to working with the members of this Committee as we make every effort to meet our goals as presented in this report.

Sincerely,

JOHN C. DANFORTH,
Chairman.

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AVIATION

INTRODUCTION

The Committee exercises authorization and oversight jurisdiction over those Federal entities responsible for U.S. domestic and international aviation policy: the Department of Transportation (DOT) and the Federal Aviation Administration (FAA). Prior to January 1, 1985, the Committee was also responsible for authorizing and overseeing the Civil Aeronautics Board (CAB). Pursuant to the provisions of the Federal Aviation Act of 1958, as amended by the Civil Aeronautics Board Sunset Act (Public Law 98–443), the functions of the CAB have been terminated or transferred to DOT.

AUTHORIZATION

The Committee authorizes the Nation's aviation programs. The President's fiscal year 1986 budget proposes the funding levels and the funding methods for those programs.

The President's proposals include: (1) the elimination of Federal subsidies for the Essential Air Service (EAS) program; (2) a $200 million reduction in FAA Facilities and Equipment spending; (3) the transfer of interest generated by the aviation trust fund to the general fund; and (4) a substantial modification in the provisions governing the amount of trust fund monies which can be appropriated for FAA operations.

The Committee is concerned that the National Airspace Modernization plan remain on target and that aviation safety is not compromised. The Committee will evaluate all pending budget proposals with these concerns in mind.

OVERSIGHT

CAB FUNCTIONS AT DEPARTMENT OF TRANSPORTATION

On December 31, 1984, the CAB ceased to exist, pursuant to the provisions of the Federal Aviation Act of 1958. During the second session of the 98th Congress, the Committee devoted considerable attention to "sunsetting" the CAB in an orderly fashion.

The result of these efforts was the Civil Aeronautics Board Sunset Act of 1984 (S. 2796; H.R. 5297; Public Law 98–443), which transferred several of the CAB's important residual functions to DOT. The Committee intends to exercise its oversight responsibility with regard to this transfer, and to hold hearings on the subject as necessary.

The Committee is specifically concerned that the following CAB functions are performed by DOT in a manner fully consistent with Congress' intent: (1) Consumer protection; (2) exercise of antitrust authority; (3) determinations concerning air carriers' economic fit-

ness; and (4) the collection of origin, destination, and "service segment" data.

ESSENTIAL AIR SERVICE

Approximately 140 cities receive air service subsidized by the Federal Government pursuant to the Essential Air Service program. The EAS program expires in 1988. The Committee intends to hold a hearing to explore alternatives to the current EAS program. This hearing will also focus on the projected effect of the President's proposal to eliminate EAS funding in 1986.

INTERNATIONAL AIRLINE ROUTE CERTIFICATES

The Committee will consider legislation to alter the method by which DOT awards airlines the right to fly international routes.

Today, certain air carriers flying certain routes hold certificates of short-term duration, while other carriers hold "permanent" certificates. The proposed legislation would convert all short-term rights into authority of indefinite duration. It would also liberalize the procedure by which a carrier's route authority can be challenged and withdrawn.

The Committee has been considering this issue in various forms for several years. It expects to hold hearings on the subject this year.

TRANSFER OF NATIONAL AND DULLES AIRPORTS

The FAA has operated both Washington National Airport and Washington Dulles International Airport since the airports opened. With one exception, they are the only federally-operated airports in the Nation.

Since 1948, independent reports have suggested that Federal ownership of public commercial airports is inappropriate. In June 1984, Transportation Secretary Elizabeth Dole established an advisory commission to recommend the most practicable and politically acceptable means of transferring airport control to local hands. The commission presented its findings to the Secretary on December 18, 1984.

DOT is preparing legislation to implement the conclusions of the advisory commission. The Committee is responsible for considering and acting upon this legislative proposal.

COMPUTER RESERVATION SYSTEMS

A large percentage of travel agents use computerized reservations systems for flight information and booking purposes. Approximately 70 percent of these agents use systems owned by either United Airlines or American Airlines.

The Committee is concerned that the operation of these systems may be inhibiting competition in the airline industry. A hearing on this subject has been scheduled. The Committee will study the testimony presented and, if appropriate, propose a remedy.

MEDICAL KITS

Current FAA regulations require the carriage of medical kits aboard certain commercial airliners. There has been persistent criticism among the medical community of the adequacy of these kits. S. 63, introduced by Senator Goldwater, would require the FAA to update the medical kit standards. It would also relieve certain persons from liability arising out of the use of these kits. The Committee will consider S. 63 early in 1985.

AVIATION SAFETY

The Committee continues to view aviation safety as one of its highest priorities. The Committee will continue to closely monitor the FAA's activities in this area. Of particular concern is the adequacy of the FAA's inspector workforce and the status of the air traffic control system.

RUNWAY USE AT CONGESTED AIRPORTS

Civil aviation is presently facing a serious shortage of runway capacity at major airports. The problem is expected to worsen in the coming years. Federal grants-in-aid to airports are not the sole solution.

The problem of airport capacity has surfaced most obviously in the context of airport "slots". A slot is the airport time period necessary for an arrival or departure operation. The issue of equitable and economical slot allocation has become increasingly important to the civil aviation community.

The FAA is presently engaged in a rulemaking which would treat slots as private rights, to be bought or sold by carriers at will. Other industry proposals would provide for the allocation of slots by lottery, or by airport auction. The Committee will continue to review this growing problem and any proposed solutions.

BUSINESS, TRADE, AND TOURISM

Introduction

The Committee is responsible for oversight of the National Tourism Policy Act (Public Law 97-63). The act created the Travel and Tourism Administration, headed by an Under Secretary of Commerce for Travel and Tourism, as well as a Federal Tourism Policy Council and a Travel and Tourism Advisory Board to the Department of Commerce. The Committee will continue to oversee the Federal responsibilities established by the act and will work closely with the Under Secretary of Commerce for Travel and Tourism.

Travel and Tourism

The Committee's primary goal in the 99th Congress is to assess the financial needs of the U.S. Travel and Tourism Administration (USTTA), in light of the administration's proposal to phase out all funding for this agency. The Committee wants to assure the existence of aggressive international promotion of travel to and within the United States. Senate approval of a Committee authorization bill (S. 212) in the 98th Congress permitted an increase in the

USTTA budget from a 1983 level of $8,600,000 to its current $12 million level. Many nations spend vastly larger sums to promote travel and tourism. The Committee is concerned that the U.S. share of international tourism revenues has declined during the past decade.

The travel and tourism industry is expected to work closely with USTTA on promotional programs. One such program developed by the industry is a comprehensive international marketing plan which stresses the need for complementary Federal and private promotional efforts. The Committee will review the recommendations of this 5-year marketing plan, as well as other measures to strengthen the industry, including increased Federal promotion of our National Park system.

Another measure to facilitate a greater flow of foreign visitors to the United States is a limited waiver of the stringent U.S. visa requirement. The Committee will continue its strong support of visa waiver legislation in the 99th Congress, as it did during the last Congress.

Business, International Trade, and Investment

The Committee remains concerned about the large U.S. trade deficit in the international exchange of manufactured goods. The Committee will maintain oversight of the International Trade Administration (ITA), which is responsible for promoting U.S. exports and reducing barriers to international trade.

The United States has a large trade surplus in the service sector, which accounts for about two-thirds of all U.S. economic activity. The Committee is concerned that international industrialization will cause the competitive advantage enjoyed by U.S. service industries to erode if the Federal Government does not support service industries. In fact, the estimated U.S. service surplus for 1984 is less than half of the 1981 surplus of $41 billion.

A longstanding interest of the Committee has been the lack of data on the service sector of the economy. The Committee is encouraged that new legislative authority (Public Law 98-573) has been provided for ITA's Office of Service Industries to compile data on service industries and to implement a service industries development program. The Committee will monitor the progress of these efforts.

The Committee will continue to follow the General Agreement on Tariffs and Trade (GATT) negotiations pertaining to international cooperation and information exchange relating to trade in those services within the Committee's jurisdiction.

Another concern of the Committee is the level of foreign investment in the United States. The International Investment Survey Act of 1976 requires the Department of Commerce to survey levels of foreign economic holdings. Under the act, the Department of Treasury is responsible for surveying foreign holdings of U.S. securities and financial instruments.

The Committee developed further legislation (Public Law 97-33) to require the Department of Commerce to monitor barriers to U.S. investment in foreign economies. The Secretary of Commerce is re-

quired to monitor measures taken by other nations to restrict U.S. investment.

The Committee will continue to oversee implementation of these laws and hearings will be held when appropriate.

COMMUNICATION

INTRODUCTION

The Committee will continue its oversight responsibilities to provide guidance to the Federal Communications Commission (FCC), the executive branch, and the courts on national communications policy. Existing laws and regulations must be reviewed and revised where necessary to guarantee that the provision of communications goods and services to consumers is maintained and increased, and to ensure that competition is encouraged wherever possible.

AUTHORIZATION

FEDERAL COMMUNICATIONS COMMISSION

The FCC is the independent agency charged with regulating interstate and foreign communications by means of radio, television, wire, cable, and satellite. The existing FCC authorization expires in fiscal year 1985. The Committee intends to act this session on reauthorizing legislation for fiscal year 1986 and fiscal year 1987. As part of the reauthorization process, the Committee will conduct oversight of FCC activities and ensure the orderly implementation of communications policy as established by Congress. The Committee will also hold further oversight hearings as needed to provide the FCC with additional direction.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

The National Telecommunications and Information Administration (NTIA) is the principal executive branch advisor to the President on communications policy. NTIA was established in 1978 through consolidation of the Office of Telecommunications Policy in the Executive Office of the President and the Commerce Department's Office of Telecommunications.

In addition to this role, NTIA's responsibilities include: (1) Prescribing policies for and managing Federal use of the radio frequency spectrum; (2) developing and presenting U.S. international telecommunications plans and policies, and coordinating U.S. Government positions for international telecommunications conferences and meetings in conjunction with the State Department, the FCC, and other agencies; (3) administering the Public Telecommunications Facilities Program (PTFP); and (4) serving as a Federal telecommunications research and study center by providing expert technical support to other agencies, chiefly through the Institute for Telecommunications Sciences (ITS).

The Committee believes NTIA plays an important role in establishing and conveying U.S. policies and positions on domestic and international telecommunications issues. The Committee will review NTIA's present and future involvement in this area.

The existing authorization for NTIA expired in fiscal year 1984. Although the Committee reported reauthorizing legislation in 1984 (S. 2535), the Senate did not vote on this bill. Therefore, the Committee will act during this session on new reauthorizing legislation for fiscal year 1986 and fiscal year 1987.

CORPORATION FOR PUBLIC BROADCASTING AUTHORIZATION

In 1985, the Committee will consider legislation to authorize appropriations for the operations of the Corporation for Public Broadcasting (CPB) for fiscal years 1988–90. In conjunction with this bill, the Committee also will consider reauthorizing the Public Telecommunications Facilities Program (PTFP), which is administered by NTIA, for fiscal year 1986–88.

Congress began this practice of multiyear, advanced funding in 1975 to provide the public broadcasting industry with additional insulation from Federal interference in programming decisions. Advanced authorization also gives needed stability and planning capabilities to the Corporation.

In 1984, Congress twice passed CPB/PTFP authorization bills. On both occasions the President vetoed the bills, notifying Congress that they authorized funding levels that were "incompatible with the clear and urgent need to reduce Federal spending." The Committee recognizes the importance of the public broadcasting system and its need for adequate Federal support. At the same time, the Committee is well aware of Federal budget constraints, and will again endeavor to strike an appropriate balance in a new authorization bill.

The Committee will also continue to examine alternative funding mechanisms for public broadcasting.

OVERSIGHT

DOMESTIC COMMON CARRIER

The Consent Decree between AT&T and the Department of Justice established the basic structure of the Bell system. The FCC is addressing problems that divestiture created for Federal and State regulators, AT&T and the Regional Bell operating companies, their competitors, and the consumer.

The Committee will continue oversight of the FCC's implementation of the Consent Decree and related actions, as well as oversight of the FCC's efforts to promote competition in domestic communications services and equipment markets. Particular attention will be given to maintenance of universal telephone service and the impact of divestiture and regulatory action on emergency preparedness, national defense and security needs.

Continuation of universal telephone service remains a primary concern of the Committee, which will carefully monitor the effect of the FCC's access charge order on the industry and on consumers, particularly the poor, the elderly, and rural customers. The Committee will review the FCC's actions in this area to determine if legislation will be needed to ensure universal and affordable access to basic telephone service.

The Committee will continue its interest in the FCC's implementation of equal access procedures. The Committee will also monitor the Commission's review of its policies involving the structure and operations of AT&T, such as the Second Computer Inquiry, and the impact of any policy revisions on competition. The Committee continues to be committed to the establishment of a sound and competitive telecommunications marketplace.

INTERNATIONAL TELECOMMUNICATIONS AND TRADE

Carriers providing international telecommunications services and products are subject to a changing regulatory environment. These changes are a result of technological advancements, executive branch decisions, and FCC orders. Congress will play a major role in establishing and reviewing policy in this area.

U.S. policymaking in international telecommunications continues to be divided among several agencies and offices. The Committee emphasizes that coordinated activity is essential to U.S. preparation for important international telecommunications conferences. Additionally, the Committee will examine conditions that affect the competitive ability of U.S. industries in international markets.

The Committee will pay close attention as the FCC considers the applications of companies seeking to offer alternatives to services offered by the International Telecommunications Satellite Organization.

In addition, the Communications Subcommittee intends to hold joint hearings with the Science, Technology, and Space Subcommittee to review U.S. preparations for the 1985 World Administrative Radio Conference.

BROADCAST AND CABLE

In the 98th Congress, the Committee originated broadcast deregulation legislation (S. 55), and the first major legislation governing cable telecommunications (S. 66), both of which passed the Senate. Broadcast legislation was not passed by the House of Representatives. The Committee will continue to examine broadcast issues and will act on deregulation legislation as needed. Cable legislation was passed during the 98th Congress and was signed into law. The Committee will monitor the FCC as it implements the provisions of the cable law.

CONSUMER

INTRODUCTION

In the last 15 years, Congress has enacted many far-reaching proposals to provide consumer protection in such areas as product safety, poison prevention packaging, warranties, and unfair or deceptive practices.

In an effort to ensure that these programs are meeting Congressionally-mandated goals, the Committee will continue its oversight of agencies having responsibility for these programs and will make appropriate recommendations to ensure their effective operation. In addition, the Committee will continue to focus on regulatory reform within these agencies to eliminate overlapping, duplicative,

and ineffective regulations which often lead to higher costs for consumers and business.

The Committee also will continue its legislative activities in the area of product liability tort law reform.

Federal Trade Commission

The Federal Trade Commission (FTC) is empowered to prevent "unfair methods of competition" and "unfair or deceptive acts or practices." The FTC Improvements Act of 1980 (Public Law 96–252) requires that the FTC undertake significant changes in its procedures for conducting investigations and rulemakings. During the 97th and 98th Congresses, the Committee monitored the agency's compliance with the improvements act and undertook a broader review of FTC activities in connection with the agency's reauthorization.

The FTC Improvements Act expired at the end of fiscal year 1982, and the FTC has been without an authorization since that time. While legislation to reauthorize the FTC (S. 2499) was reported by the Committee in the 97th Congress, it was not considered by the full Senate. Again, during the 98th Congress, the Committee conducted additional hearings on the FTC and reported authorization legislation (S. 1714); however, the full Senate did not act on this measure.

The authorization legislation reported by the Committee in the 98th Congress contained important compromises in three controversial areas: (1) The FTC's authority over State-regulated professions; (2) the FTC's regulation of "unfair" advertising; and (3) the FTC's authority over agricultural cooperatives. Building on these compromises developed during the 98th Congress, the Committee expects to complete action on an FTC reauthorization during the 99th Congress. During the current Congress, the Committee also expects to hold additional oversight hearings on various FTC activities.

Consumer Product Safety Commission

In 1972, Congress created the Consumer Product Safety Commission (CPSC) in an effort to reduce consumer product-related injuries and deaths in the United States. Since that time there has been concern that the agency has not been entirely effective in carrying out its statutory mandate. The Committee conducted extensive hearings on the CPSC during the 97th Congress and made several changes in the agency's statutory scheme (Public Law 97–35).

During the 98th Congress, the Committee conducted 4 days of reauthorization hearings on the CPSC. The Committee reported new authorization legislation for the agency on April 12, 1983. This measure passed the Senate on June 16 of that year; however, Congress never completed action on this legislation and the agency has been without statutory authorization since the end of fiscal year 1983.

The Committee expects to reauthorize the CPSC during the 99th Congress. It will also continue its oversight duties for this important consumer protection agency.

Product Liability Legislation

For a number of years, the Committee has been in the forefront of legislative activities on the product liability issue. In 1977 the first comprehensive legislation to address both the insurance and tort reform aspects of the problem was introduced. This was followed by enactment of the Product Liability Risk Retention Act of 1981 (Public Law 97-172) in the first session of the 97th Congress. During the second session of the same Congress, the Committee reported S. 2631, the Product Liability Act; however, the full Senate did not consider this measure to establish uniform product liability law. In the 98th Congress, this legislation was reintroduced as S. 44, and the Committee held additional hearings. Again, while this bill was reported by the Committee, it was not considered by the full Senate.

Similar product liability legislation (S. 100) has been reintroduced in the 99th Congress. The Committee will review this measure and the issue of product liability reform during the coming months.

Professional Sports Team Relocation Legislation

The Committee is considering legislation which clarifies the circumstances under which a professional sports team may move from one community to another. The primary objectives of such legislation are: (1) To stabilize the relationship between communities, professional sports teams, and leagues; and (2) to ensure equitable consideration of the interests of communities in which such teams are located.

Recent moves by professional sports teams have demonstrated that the concerns of communities and fans are sometimes ignored when teams are relocated. Professional sports teams generate revenues and jobs, contribute significantly to civic pride, and enhance local economic development. In addition, many municipalities offer lucrative tax breaks and spend millions of dollars to provide suitable facilities for professional sports teams.

During the 98th Congress, the Committee reported S. 2505, the Professional Sports Team Community Protection Act. In the current Congress, two professional sports team relocation bills (S. 259 and S. 298) have been referred to the Committee. The Committee has held 2 days of hearings on these measures and expects to report legislation again this session.

MERCHANT MARINE

Introduction

The Committee exercises authorization and oversight responsibility over the three Federal agencies guiding U.S. domestic and international maritime policy. The Federal role in this area has long been established, having first been set forth in article I, section 8 and article III, section 2 of the United States Constitution.

The Maritime Administration (MarAd), within DOT, seeks to promote the U.S.-flag merchant marine, U.S. shipbuilding capacity, and U.S. ports. The Federal Maritime Commission (FMC) is an in-

dependent agency which regulates domestic and international maritime transportation. The Coast Guard, within DOT, supervises recreational and commercial waterborne safety and law enforcement.

Maritime Administration (MarAd)

The primary purpose of the MarAd and its programs is to ensure a strong U.S. merchant marine by promoting U.S.-flag shipping and the domestic shipbuilding industry in times of peace, and to ensure the defense readiness of both in the event of war or other national emergency.

Over the past few years, numerous changes have significantly affected our merchant marine. These include: (1) The reconsideration of traditional subsidy programs; (2) the re-emergence of U.S.-flag cruise fleet; (3) the temporary opportunity to build vessels at world market prices; (4) unilateral assertion of cargo reservation by various trading partners and the subsequent rejection of those efforts by the U.S. Government; (5) diversion of cargo from U.S. Atlantic ports to Canadian ports; and (6) the spectre of a worldwide cargo reservation scheme pursuant to United Nations treaty. These and other issues will be addressed during the 99th Congress by the Merchant Marine Subcommittee.

Today, the maritime industry, including our ports, ocean shipping companies, and shipbuilding yards, provides jobs to approximately 1,500,000 Americans and contributes $22 billion to our economy. Despite the industry's national and international importance, both economic and for purposes of national defense, the maritime industry finds itself in a tenuous state. The merchant marine depends upon and can be dramatically affected by Federal programs.

In both the bulk and liner trades, the U.S. merchant marine is not what it has been, or what it could be. The U.S. dry bulk fleet today carries less than 2 percent of our dry bulk trade. The United States is, therefore, almost totally dependent upon foreign-flag ships to carry bulk cargo essential to both U.S. import and export trades. In spite of the present downturn in the world economy, the United States remains poised to become a major worldwide supplier of coal. Yet, we do not have sufficient vessels available at competitive rates to carry our coal to foreign markets. From the standpoint of national defense, the potential consequences of our inadequacy are especially serious. The United States itself is self-sufficient in only 3 of 71 strategic minerals essential to national defense. Without the program of preference for government-impelled cargoes and the Jones Act, it is unlikely that there would be any U.S.-flag dry bulk vessels.

A similar conclusion can be reached in the case of U.S.-flag liquid bulk vessels, which are currently engaged in carrying oil from Alaska for U.S. consumption, as well as in filling the Strategic Petroleum Reserve. In the liner trades, the U.S.-flag share of cargo carried is approximately 27 percent. While this compares quite favorably with our bulk fleet, it is still a significantly smaller share than has been carried by U.S.-flag liner ships in past years.

AUTHORIZATION

The Committee is charged with annually overseeing and authorizing the various maritime programs administered by the MarAd. During the first session of the 99th Congress, the Committee will consider the fiscal year 1986 programs authorization. Essential elements of the MarAd program include:

Operating-differential subsidy (ODS)

The Secretary of Transportation is authorized to pay ODS to U.S. shipping companies in order to achieve cost parity in seamen's wages, vessel insurance, and maintenance and repairs not covered by insurance. ODS is intended to ensure that American shippers will have regular and frequent services between U.S. and overseas markets at reasonable and competitive freight rates.

In order to receive ODS, companies must assume rigid long-term contract obligations and operate under strict operating limitations as to trade routes and services. Financial obligations are also involved. Companies must place a part of their earnings in capital reserves for use in vessel replacement.

Several initiatives are currently underway by carriers and DOT to determine how the ODS program might be more effectively utilized to promote U.S.-flag interests. Recently, MarAd has considered the elimination of the "essential trade route" requirement in order to increase the flexibility of U.S. carriers to respond to market opportunities. Similarly the Secretary of Transportation is considering the promulgation of a rule to allow certain vessels to enter the Jones Act trades upon, among other requirements, termination of the relevant ODS contracts. The Committee will review: (1) The impact of such proposals on the competitive position of the U.S.-flag fleet; (2) the statutory authority of MarAd to terminate or renegotiate the obligations under the contract; (3) other maritime goals; and (4) the reduction of Federal outlays.

Research and development

This program develops methods, systems, and equipment to assist the U.S. shipbuilding and ship operating industries to be more productive and more competitive with foreign shipyards and operators. Programs are aimed at development of information and technology that will result in lower shipbuilding costs, operating costs, and Government subsidies for both ship construction and operation. Substantial participation of industry is obtained through cost sharing. MarAd also assists in port development and promotion through a regional office network.

Merchant Marine Academy and State Marine Schools

MarAd operates the U.S. Merchant Marine Academy at Kings Point, NY, where U.S. citizens are trained to become merchant marine officers. The Academy has an enrollment of about 1,000 and graduates about 200 students annually.

MarAd also supervises the Government grants and student aid given to the six State marine schools, which are located in Maine, New York, Massachusetts, California, Texas, and Michigan. These

schools have a total enrollment of about 2,000 and graduate about 400 students annually.

Graduates of both the Academy and State schools are generally employed at sea as deck or engineering officers, or ashore in the maritime industry.

Supplementary training

Section 216(c) of the Merchant Marine Act, 1936, authorizes MarAd to prescribe, conduct, and supervise such courses as it may deem necessary to supplement other training facilities. The basic objectives under the current training program are to assist in providing a trained shipboard work force and improve safety of life and property in shipboard pollution resulting from ship collisions, groundings, and fires. Training is provided through modest training facilities located on each of the four seacoasts.

National Defense Reserve Fleet

The National Defense Reserve Fleet provides an inventory of ships to supplement the active fleet in times of war and national emergency. The fleet is the only source of reserve break-bulk shipping capacity available to the United States during a military or commercial shipping crisis. Reserve fleet sites are also used as repositories for ships awaiting disposal.

Other operating expenses

This program provides for: (1) Overall program direction and administration and for general administration not directly assignable to specific programs; (2) for program direction and administration of the subsidy and research and development programs; and (3) for program direction and administration and costs of the following programs: Capital Construction Manpower Administration, title XI loan guarantee program, emergency planning/operations, market development, advanced ship operation systems, port and intermodal systems, and domestic shipping.

LEGISLATION

Barge industry

Of substantial concern to the Committee is the state of this Nation's inland waterway transportation system. Many shipyards have closed, and many towboat and barge companies are staving off bankruptcy. While the main causes of this industry-wide recession stem from matters beyond this Committee's jurisdiction, primarily the reduced demand for U.S. coal and wheat, certain maritime programs do have a significant impact on the barge industry. During the 99th Congress, the Committee will review the operation of the title XI loan guarantee program, Capital Construction Fund, and other Federal programs. Efforts will be made to assure that these programs are responsive to current river transportation needs.

Vessel construction

During fiscal year 1982, Congress temporarily allowed U.S.-flag carriers receiving ODS to enter into contracts to construct vessels

in foreign shipyards and also allowed immediate eligibility for cargo preference carriage. Before authority terminated on September 30, 1982, authority was received from the Secretary of Transportation for the construction, reconstruction, and acquisition of 48 vessels. This was a temporary measure designed to provide an alternative source of vessels, while Congress and the administration developed a shipbuilding program. (The Construction Differential Subsidy (CDS) program had proven insufficient to achieve parity between U.S. shipyards and their foreign competitors, and has been unfunded over the past 2 years.) With the need to provide U.S.-flag vessel operators with modern ships at costs similar to those paid by their foreign competition, the "build-foreign" alternative is again being proposed by the administration and will be examined during the first session of the 99th Congress.

Of continuing interest is the proposal to allow certain U.S.-flag vessel owners to repay construction differential subsidy (CDS) received, and be granted permanent authority to serve in the domestic (Jones Act) oil trades. The Committee continues to be vitally interested in the revenue and efficiency impacts of this proposal, as well as the potential dislocation resulting from such a decision.

Cargo reservation

Cargo reservation has long served as a means of ensuring the existence of a merchant fleet by guaranteeing cargo for it to carry. It also serves to provide construction opportunities for domestic shipyards. The Jones Act and the Government-impelled cargo preference program are two examples of cargo reservation. Recently, the Federal District Court reversed an Administration ruling which had exempted shipments, under the Department of Agriculture's "blended-credit" program, from cargo preference requirements. The Committee will continue to monitor this issue during the first session of the 99th Congress. The goal of the Committee is to balance the need to develop a U.S.-flag fleet and shipbuilding base with the need of shippers and agricultural and coal exporters to be competitive in world markets.

Jones Act waivers

Periodically, the Committee receives requests for a waiver of the Jones Act requirement that all vessels serving the domestic trades be built in the United States and have been continuously owned and operated under the U.S. flag. It is the Committee's responsibility to consider such requests individually, and to determine their potential impact on domestic commerce. When appropriate, the Committee will report implementing legislation.

Alaska vessel service

An issue of particular importance to some members of the Committee involves vessel service to Alaska. The goal of the Committee in this area will be to continue the development of a strong U.S.-flag waterborne transportation system from the continental United States to all parts of Alaska.

FEDERAL MARITIME COMMISSION

The regulatory portion of U.S. shipping policy is administered by the FMC. Our regulatory policy is intended to safeguard against agreements and practices in the U.S. liner trades which would be detrimental to the commercial interests of the United States. Thus, all carriers operating in the foreign commerce of the United States, whether U.S.-flag or foreign, whether subsidized or not, whether conference members or independents, must compete openly and fairly with one another.

AUTHORIZATION

Although the FMC is part of the oversight responsibility of the Commerce Committee, it had not been subject to the annual authorization process until last year. The FMC is a relatively small agency, presently with 225 employees. The Committee will review and authorize the FMC's fiscal year 1985 budget.

OVERSIGHT

Regulation of the domestic offshore trades

The current state of regulation of the domestic offshore trades is in disarray. Presently ocean carriers may select between Interstate Commerce Commission (ICC) and FMC jurisdiction. Only one carrier remains under FMC regulation, with the remainder regulated by the ICC. Not only is a choice of forums available to carriers, but also a choice of regulation. The FMC has closely followed its legislative mandate under the Shipping Act, 1916, while a State of defacto deregulation exists for carriers under ICC jurisdiction.

Any review of the current state of regulation of the domestic offshore trades must be sensitive to the concerns of shippers and consumers in the noncontiguous States and territories who are primarily dependent on waterborne transportation. The Committee intends to review any administration proposals addressing the regulation of these trades.

Canadian cargo diversion

Of continuing concern to the Committee is the movement of U.S.-originated cargo through Canada, rather than through U.S. ports. This problem is of particular concern to U.S.-Atlantic ports. The reasons for this diversion, including the need for regulatory consistency in dealing with U.S. cargo movements regardless of port of departure, will be examined.

Discrimination against U.S.-flag carriers

In response to unilateral cargo reservation schemes by certain of our trading partners, and discrimination against U.S.-flag carriers in the cross-trades, the FMC may utilize the provisions of section 19 of the Shipping Act, 1920 and section 13(b)(5) of the Ocean Shipping Act of 1984 to maintain free trade and continued U.S.-flag participation. Experience has shown that the more rapid and firm the U.S. response toward these anticompetitive measures, the less likely they will be fully implemented by the other nation.

Significant discretion is allowed the FMC as to whether to proceed rapidly or much more slowly. While the present Commission has moved firmly and promptly, the Committee wishes to assure that discrimination by foreign nation or foreign-flag carriers is discouraged through a tight schedule of review and, if necessary, prompt application of suspension provisions.

U.N. Code of Liner Conduct

The U.N. Code of Liner Conduct, a product of the U.N. Conference on Trade and Development, reflects a long-term effort to allocate the carriage of cargo among international trading partners. It would require that, in the liner conference trade between two nations, the majority of cargoes would be carried by each of the two country's flag fleets. Thus, a significant portion of trade could be subject to increased ocean transportation costs.

The United States has strongly opposed the Liner Code. While many of our trading partners would accept the basic scheme of the Code regarding their trade with the Third World, they have proposed a so-called "Brussels Package" to exempt the EEC nations regarding trade among themselves. This exemption, combined with nonratification by the United States and others, has resulted in nonapplication of the Code to any U.S. trade.

U.S. Coast Guard

The third agency within the Federal maritime triad, the Coast Guard, is the principal maritime safety and law enforcement agency. Over the years, the Coast Guard's role has expanded substantially. It not only absorbed the International Ice Patrol, the old "Lifesaving Service," the Lighthouse Service, and the Bureau of Marine Inspection, parts of the U.S. Customs Service and the Corps of Engineers, but also received a variety of new assignments by virtue of laws passed by Congress in the 1970's. For example, the Coast Guard plays a major role in interdicting illegal drug shipments into the United States. Since 1967, when it was moved from the Treasury Department, the Coast Guard has been part of DOT.

AUTHORIZATION

In an effort to provide the Coast Guard and the Administration with a blueprint for budgetary planning, the Committee last year reported an authorization bill for fiscal years 1985 and 1986. Floors for military and civilian personnel were subsequently established in the authorization bill, which became public law at the end of the last session. The Committee therefore strongly endorses appropriation increases for the Coast Guard sufficient to maintain personnel levels consistent with those established in the authorization act.

Proposals to transfer some Coast Guard functions to private enterprises and charge users for selected services will be considered as well.

LEGISLATION

Tonnage measurement

Another area on which the Committee will focus its attention is the Tonnage Measurement Convention negotiated under the auspices of the International Maritime Organization. The Convention was approved by the Senate for ratification in 1982. The Committee's role will initially be to formulate implementing legislation for the Convention and subsequently to conduct oversight and review of the implementation.

Vessel construction

An analysis of U.S. vessel construction standards is long overdue. The Committee will look into ways for adjusting current standards in order to allow U.S. ship construction to become competitive and commensurate with the standards and production levels of foreign shipbuilders, without sacrificing safety, quality, and environmental protection. This vast and highly technical area will require extensive review by the Committee. This can be accomplished through close consultation with industry and government experts. The Committee will subsequently hold hearings to analyze the results of this review. The goal will be the introduction of comprehensive legislation later in the session.

Oil spill liability

The Committee will continue to consider the desirability of legislation in the area of oil spill liability and compensation. Maritime oil spills adversely affecting the marine environment may be addressed by legislation creating an oil pollution trust fund to permit federal clean-up and prompt compensation of vessel spills. Such legislation will have to be developed in the context of possible U.S. ratification of the 1969 International Convention on Civil Liability for Oil Pollution Damage and its companion treaty, the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage. These Conventions were signed by the U.S. Government in February of this year.

Load lines

Maritime carriers have expressed concern over the need to harmonize the existing laws applicable to load lines, so that cargo carrying capacity can be increased without undercutting safety objectives for labor. The Coastwise Load Line Act and other statutes and treaties on load lines for international and Great Lakes voyages will be the subject of this effort. The goal will be to bring about load line standards that, to the extent possible, will be the same no matter what kind of voyage is involved.

Icebreakers

The Committee will evaluate the funding procedure for Coast Guard icebreaker operations. The Coast Guard's five polar icebreakers are the only large icebreakers owned by the United States. This year and in subsequent years, the Committee will have to evaluate the overall icebreaking needs of the United States in order to determine whether two or more new polar icebreakers

should be included in procurement plans. The Committee continues to urge, as it did last year, that the administration reconsider its present practice of funding polar icebreaking operations by allocating costs among the budgets of user agencies such as MarAd, NSF, and the Navy. The problem with this practice has become apparent with the submission of this year's budget, where one of the five icebreakers is slated for a costly layup because the user agencies are reluctant to fund assets over which they do not have direct control. The Committee will be considering the possibility of limiting user charges to variable costs of agency-specific operations and providing for fixed costs in the Coast Guard budget.

NATIONAL OCEAN POLICY STUDY

Introduction

It is generally recognized that many resources of the oceans are underutilized. The Committee feels that, through sound development and management, these assets can be used to augment dwindling land-based supplies of energy and mineral resources as well as provide a large source of food protein.

At the same time, the Committee is conscious of its responsibility to assure adequate environmental protection for the delicate natural balances found in the ocean ecosystem. It is the view of the Committee that the goals of development and environmental protection are not incompatible, but that great care must be taken in achieving a balance between them.

In addition, the increasing pressures on the Federal budget have an impact on ocean and atmospheric programs. All budget options must be weighed during the 99th Congress so that the effectiveness of federal programs in this area can be maintained. In the past, the Committee has determined that many of these ocean and atmospheric programs are inherent government functions. With this in mind, the Committee is committed to the maintenance of all those programs which are viewed as being important to the national welfare.

The National Ocean Policy Study (NOPS), which the Committee administers, has oversight responsibility for all ocean-related issues. Established by Senate resolution, NOPS membership includes representatives from all standing committees that share an interest in ocean issues. Oversight includes, among others, fisheries, marine mammals, coastal zone management, ocean energy and mineral resources, ocean pollution, and marine science. The purpose of NOPS is to provide a cross-Senate forum for discussion and to report findings for legislation to the Senate.

National Oceanic and Atmospheric Administration (NOAA)

REAUTHORIZATION

The Committee continues in its efforts to create a better organized and more comprehensive system for authorizing National Oceanic and Atmospheric Administration (NOAA) programs.

The restructuring of the NOAA authorization process has meant the formulation of a comprehensive authorization package. In the

past, legislative oversight of the NOAA budget focused on only 30 percent of the agency's programs. This contributed to NOAA's vulnerability to reorganization, program transfers to other agencies, and unwarranted budget reductions. The Committee feels that a stronger showing of interest in the NOAA mission will help ensure that the agency carries out ocean and atmospheric programs as intended by the Congress. The comprehensive authorization program begun by the Committee several years ago for NOAA includes ocean and coastal programs and marine fishery resource programs, as well as NOAA's atmospheric and satellite research and services programs, which are under the responsibility of the Committee's Science, Technology and Space Subcommittee.

Marine Fisheries Program Authorization Act

This act consolidates NOAA's marine fishery programs not explicitly provided for in the Magnuson Fisheries Conservation Management Act, the Marine Mammal Protection Act, the Endangered Species Act, the Anadromous Fish Conservation Act, the Commercial Fisheries Research and Development Act, the Salmon and Steelhead Conservation Act, and the Central, Western and South Pacific Fisheries Development Act.

Funds under this act are included for all three budget subactivities of the National Marine Fisheries Service NMFS): (1) Information collection and analysis; (2) fishery conservation and management; and (3) State and industry assistance.

Ocean and Coastal Programs

The administration has proposed substantial funding cuts for NOAA's ocean and coastal programs. The Committee has rejected these proposals in the past. As part of the NOAA budget discussion, the Committee will consider a comprehensive authorization for these programs. Authorization hearings will focus on NOAA's various activities in the areas of ocean research and services. The Coastal Zone Management Act's reauthorization will be addressed in separate legislation. (See later discussion on CZMA.)

In addition, the Committee will conduct a review of the funds made available in the Program Support budget activity, including funding of Executive Director and Administration, Marine Services, and Aircraft Services.

Magnuson Fishery Conservation and Management Act

The Magnuson Fishery Conservation and Management Act (MFCMA) extended the United States' exclusive Fishery Conservation Zone (FCZ) from 12 to 200 nautical miles. The act established a regional fishery management regime to provide management authority over the fishery resources in U.S. waters. The MFCMA, which was passed in 1976 and amended in several subsequent reauthorizations, will be considered for reauthorization in the first session of the 99th Congress. Reauthorization hearings will consider: (1) The effectiveness of the regional fishery management council systems; (2) issues related to foreign harvesting and processing operations in U.S. waters; and (3) the funding levels for activities carried out pursuant to provisions of the MFCMA.

Commercial Fisheries Research and Development Act

This act will be considered for reauthorization in the first session of the 99th Congress. The Commercial Fisheries Research and Development Act authorizes the Secretary of Commerce to enter into cooperative research and development projects on commercial fisheries resources with States.

The administration has proposed eliminating this and other state grant fisheries programs. During reauthorization hearings, the Committee will examine the efficacy of continuing the Commercial Fisheries R&D funding.

Anadromous Fish Conservation Act

Authorization for the Anadromous Fish Conservation Act expires on September 30, 1985. The Anadromous Fish Conservation Act allows the Federal Government to share costs with states for the purposes of conservation, development, and enhancement of anadromous fishery resources.

During its reauthorization hearings on the NMFS budget, the Committee will consider the benefits derived from this state grant program.

Coastal Zone Management Act

The Coastal Zone Management Act (CZMA) was passed to encourage States, Commonwealths, and territories to develop federally approved coastal management programs. These programs provide for management, preservation, protection and development of resources in the coastal zone. Federal funds are available to States to assist in the development and implementation of these coastal programs.

The Committee will seek reauthorization of the CZMA this year. The CZMA has been reauthorized twice since its passage in 1972. Once again, the Committee will examine the CZMA to ensure that national goals and objectives are being met. The CZMA requires that Federal activities directly affecting the coastal zone must be conducted in a manner consistent with a State's federally approved coastal management program. Considerable controversy has surrounded this provision of the CZMA. The Committee will consider this issue during the reauthorization hearings.

National Advisory Committee on Oceans and Atmosphere (NACOA)

NACOA's mission is to provide the President and Congress with reports and advice on the course of national ocean policy. The Committee will examine NACOA's performance and responsibilities in the first session of the 99th Congress. NACOA's authorization has expired. Reauthorization and restructuring proposals concerning NACOA will be considered at hearings.

National Ocean Pollution Planning Act

This act provides for coordination of all Federal activities in the area of ocean pollution research and abatement. The Committee will review the progress of the program and determine an appropriate authorization level to assure the continued coordination of U.S. marine pollution activities.

Fishing Industry Insurance

OVERSIGHT

A problem of increasing concern to fishermen in every region of the country is the diminished availability of moderately priced liability and property insurance for their fishing operations. The Committee will hold oversight hearings to evaluate the seriousness of this problem and to examine possible solutions.

SCIENCE, TECHNOLOGY, AND SPACE

Authorization

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Atmospheric and Satellite Programs

NOAA's atmospheric and satellite programs include weather data collection and forecasting by the National Weather Service, and atmospheric research activities. The need to cut federal spending has put increased pressure on the weather programs, as it has on the rest of NOAA.

In 1985, the Geostationary Orbiting Environmental Satellite [GOES] East satellite failed, creating the need to move the GOES West satellite east, leaving some of the western United States with limited weather satellite coverage. The Committee will authorize and encourage NOAA to advance the launch date of a replacement satellite, and will review the adequacy of the procurement schedule of this program.

The Committee will also review the need for two polar orbiting weather satellites in light of U.S. commitments to share weather data and to participate in search and rescue operations on an international level.

National Climate Program Act

The National Climate Program Act of 1978 designated NOAA as the lead agency in a multiagency study of the complex processes that cause changes in climatic conditions. The purpose of the act is to coordinate the long-term climate research programs of NOAA, the Departments of Agriculture, Defense, Energy, Interior, NASA and the Foundation (NSF).

The Committee recognizes that climate processes affect many important aspects of society, including public health and safety, food production, and water resources. The Committee will continue to assess the progress of the National Climate Program and will support reauthorization of the act during the 99th Congress.

Weather Modification Reporting Act

The Committee recognizes that weather modification has the potential to minimize the enormous loss of life and property caused by severe weather conditions. In the view of the Committe, weather modification must be closely monitored by the Federal Government because modification activities involve alteration of natural atmospheric conditions.

The Weather Modification Reporting Act requires that all U.S. weather modification activities be reported to the Secretary of Commerce. The Secretary is then required to study and report to the Congress on matters pertaining to weather modification technologies and activities. The Committee will continue to support reauthorization of the act during the 99th Congress.

Land remote sensing

The Federal Government has operated a land remote sensing satellite (LandSat) system since 1972. The LandSat system was developed by NASA and is operated by NOAA. The fifth satellite in the LandSat series was launched in March 1984, and is expected to function until 1987.

During the 98th Congress, the Committee addressed the longstanding goal of involving the private sector in land remote sensing. The Committee developed the Land Remote Sensing Commercialization Act of 1984 (Public Law 98–365), which authorized the Federal Government to implement a phased commercialization of the LandSat system. The act also designated the Department of Commerce as the lead agency for regulation of commercial remote sensing ventures.

The Department of Commerce has worked to implement the act in a manner consistent with national security concerns, international considerations, and the act's purpose of creating a commercially viable private remote sensing system. The Committee recognizes the complexity of issues surrounding commercial remote sensing and intends to exercise vigorous oversight of the commercialization process through hearings and, where appropriate, further legislation.

Stevenson-Wydler Technology Innovation Act of 1980

The purpose of the Stevenson-Wydler Technology Innovation Act is to improve the "economic, environmental, and social well-being of the United States" by enhancing industrial development of new and improved goods, processes, and services. Technological development and innovation contribute to the ability of the U.S. economy to generate new industries, provide employment, increase productivity and compete in world markets. In a world where the United States is no longer self-sufficient in many natural resources, and where the U.S. labor is no longer inexpensive relative to other nations, the need to stimulate technological innovation is vital to the Nation's future prosperity.

The Committee will hold authorization hearings on this act in 1985. Issues to be explored include: (1) The availability of federally owned or originated technology to State and local governments and the public; (2) the adequacy of university-industry coordination in pursuing research to advance technologies which benefit many industries; and (3) the adequacy of coordination of technology programs within the Federal Government.

Earthquake Hazards Reduction Act

Each year more than a thousand earthquakes are detected in the United States. Depending on the location and magnitude, earthquakes can cause billions of dollars of property losses and injure or

kill tens of thousands of people. The Earthquake Hazards Reduction Act of 1977 (Public Law 95–124) was passed to develop a comprehensive national policy and a coordinated program to reduce the hazards and risks of earthquakes. The act directs four Federal agencies (USGS, NSF, NBS, and FEMA) to conduct a variety of activities such as prediction, hazard mitigation, research, earthquake engineering, and response planning for major earthquakes.

The Committee will hold reauthorization hearings on the act in 1985 prior to reporting legislation. The Committee will assess both the progress made under the act and the adequacy of the program to achieve further reductions in earthquake hazards.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NASA has the primary Federal responsibility for research and development in space. The largest current program is the Space Transportation System, which includes the Space Shuttle. Other major components of the agency are: (1) Aeronautical research and technology; (2) space science and applications; (3) the space station proposal; and (4) tracking and data acquisition.

NASA's newest major initiative is the proposal to develop a permanently manned space station. In April 1985, NASA will initiate its extended definition and design studies as the first step of the initiative. Because the Committee recognizes that a program of this scope and magnitude includes many unique and complex issues, it will monitor these issues accordingly.

With 10 or 11 Space Shuttle missions scheduled for fiscal year 1985 and 13 or 14 in fiscal year 1986, the Committee and the agency will look for effective operation and optimum use of the Shuttle. The Committee will also focus on NASA's newly created Office of Commercial Programs and on other initiatives which might actively encourage the commercial development of space.

Other issues to which the Committee will devote attention include: (1) The orbiter fleet size; (2) the Space Shuttle pricing policy and its relevance to the U.S. and international expendable launch vehicle industries; (3) the balance between the civilian and military space programs; (4) space science and applications; and (5) international cooperation and competition.

With respect to aeronautics, foreign competition continues to challenge the longstanding, world-wide leadership of the U.S. aviation industry in aviation technology and sales. Mindful of this challenge, the Committee will focus on NASA's aeronautical development and applications programs as a means of maintaining U.S. civil and military aviation supremacy.

The Committee has scheduled 5 days of hearings on these and other issues related to the fiscal year 1986 NASA authorization prior to reporting legislation.

NATIONAL SCIENCE FOUNDATION

The NSF is the only Federal agency whose primary responsibility is the support of basic research in nonbiomedical sciences. The Committee has an important role in authorizing legislation for the Foundation's basic research program.

During the 99th Congress, the Committee will prepare for reauthorizing the NSF budget by holding hearings with emphasis on: (1) Basic research; (2) initiatives in engineering, supercomputers, and biotechnology; and (3) science and engineering education. The Committee will focus on the identified primary responsibility of the Foundation to support fundamental scientific and engineering research.

NATIONAL BUREAU OF STANDARDS

The NBS is responsible for the development of physical standards and measurement techniques that are essential for scientific, industrial and commercial advancement. New standards and techniques are continually needed to keep pace with increasingly rapid technological developments and the resulting industrial and scientific requirements for more precise measurements.

The Committee will hold authorization hearings on NBS in 1985 prior to reporting legislation. Areas of likely interest include NBS activities in the rapidly growing biotechnology field, advanced ceramics, and in the development of cold neutron research materials.

U.S. FIRE ADMINISTRATION (USFA) AND THE FIRE ACADEMY

The USFA and the Fire Academy were established by the Federal Fire Prevention and Control Act of 1974 to assist the States and firefighters in promoting fire prevention and control. Fire prevention and control are a matter of continuing national importance. In 1983 fires caused 6,000 deaths and over $6 billion in direct property loss.

In 1985, the Committee will report a reauthorization bill after holding hearings on the fire program, giving special attention to fire prevention and to the adequacy and effectiveness of the program.

DEPARTMENT OF TRANSPORTATION: OFFICE OF COMMERCIAL SPACE TRANSPORTATION

In 1984, the Committee reported enabling legislation, which later became public law, to establish a framework within which expendable launch vehicles (ELVs) and their associated facilities and launch services could be licensed for commercial launches. This legislation also designated the DOT as the lead Federal agency to facilitate the issuance and transfer of commercial space launch licenses.

During 1985, the Office of Commercial Space Transportation will write regulations governing commercial ELV launches. The Committee will monitor this program to ensure that the licenses are issued and transferred in a manner consistent with the enabling legislation. As part of its oversight responsibilities, the Committee will conduct a hearing to assess the activities of the Office of Commercial Space Transportation and the development of the U.S. ELV industry.

OVERSIGHT AND LEGISLATION

FEDERAL FUNDING FOR BASIC RESEARCH IN THE UNITED STATES

In recent years, there has been great concern over both the levels for Federal funding of basic research, and the unpredictable and vulnerable nature of that funding, given the characteristics of the Federal budget cycle. The consequences of under-investment or limits on investment in this vital function are not usually apparent in the near term and are hard to determine precisely in any event.

More than most other Federal budget categories, funding for basic research is divided among several committees with little coordination among them. Little progress has been made in developing stable funding for fundamental research, particularly in key scientific disciplines. Such funding should include not only the conduct of the research itself, but the training of talented individuals to do the research and the equipping/re-equipping of research laboratories. The Committee will be examining this issue and will consider hearings and legislation as appropriate.

Manufacturing industries are essential to the economic health and security of the United States. However, American industry competitiveness in domestic and international markets is threatened by foreign industries with products often equal or superior to those of the United States in terms of cost, quality, reliability, and innovativeness.

In 1984, the Congress passed legislation (S. 1286) addressing manufacturing technology. The President did not approve this legislation. The Committee will continue to explore this issue through its oversight function.

RISK ASSESSMENT

Risk assessment involves Federal analysis of the health safety risks associated with exposure to harmful substances. The Committee feels that regulatory policy resulting from risk assessment should protect public health and safety without imposing excessive or unnecessary restrictions on the private sector.

The Committee expects that legislation on risk assessment will be introduced during the first session of the 99th Congress and the Committee will likely analyze policy alternatives through hearings.

BIOTECHNOLOGY

Biotechnology, encompassing both recombinant DNA as well as monoclonal antibodies and related technologies, has emerged as one of the most promising of the new "high technology" industries. Research in this area is burgeoning.

A study requested by the Committee and undertaken by the Office of Technology Assessment (OTA) has revealed the current competitive health of the United States in biotechnoloy relative to other countries. The Committee will consider hearings as appropriate.

ANTARCTICA

Sixteen nations, including the United States, are Consulative Parties to the 1959 Antarctic Treaty. The Treaty: (1) Suspended territorial claims over Antarctica; (2) barred military activities; (3) prohibited the storing or testing of nuclear weapons there; and (4) assured scientific access to Anarctica for all interested nations.

Last year, the Committee participated in the enactment of implementing legislation for the Convention on the Conservation of Antarctic Marine Living Resources, which was negotiated within the framework created by the 1959 Treaty. During the current session of Congress, the Committee will continue to follow implementation of the Marine Living Resources Convention and will also discuss issues related to minerals development, marine mammal and environmental protection, and continued scientific access.

MINERALS AND MATERIALS POLICY

The United States has become increasingly dependent on foreign sources for supplies of many strategic minerals and materials critically important to national security and economy. This problem is complicated by potential supply interruptions and escalating international competition for these materials. Many U.S. industries also depend on foreign processing of raw materials into usable forms.

In studying strategic minerals and materials, the Committee has found that no simple solutions exist. Even large-scale stockpiling and domestic mining cannot insure our capability to process sufficient amounts of raw materials in a time of national crisis. The Committee found that no coordinated Federal policy existed to address strategic materials issues.

As a first step, the Committee developed the National Materials and Minerals Policy, Research and Development Act of 1980 (Public Law 96-479) to establish responsibilities for addressing problems related to strategic materials. This law required the President to submit a report to the Congress on the development of a national materials policy. The Committee has held hearings on the President's report and will oversee further development of a comprehensive national materials policy.

The Committee also will review Federal research programs to develop new advanced materials, including high technology ceramics and composites.

SATELLITE POLICY

The United States will participate in a World Administrative Radio Conference in Geneva in August 1985. The purpose of this international conference is to plan the use of the geostationary orbit by satellites, principally for communications satellites. The Committee, through joint hearings by the Science and Communications Subcommittees, will examine the U.S. position and the adequacy of the U.S. preparations for this and future conferences.

SURFACE TRANSPORTATION

LEGISLATION

CONRAIL

The Northeast Rail Service Act of 1981 (NERSA) provided for the transfer of Conrail from the Federal Government to the private sector. Specifically, it directed the Secretary of Transportation to find a buyer for Conrail, and submit to Congress a sale plan that would promote competitive bidding, ensure continued rail service, and maximize the return on the Federal Government's investment in Conrail. On February 8, 1985, Transportation Secretary Elizabeth Dole announced that she would recommend to Congress that the Norfolk Southern Corporation purchase Conrail.

On February 27 and 28, 1985, the full Senate Commerce Committee held hearings on the Secretary's recommendation. On March 7, 1985, Chairman Danforth introduced S. 638 on behalf of himself and Senator Hollings, legislation to direct the implementation of the Secretary's recommendation that the Norfolk Southern Corporation purchase Conrail.

The Committee expects to markup S. 638 early this spring.

TRUCKING DEREGULATION

The Committee intends to examine the extent to which continued economic regulation of the trucking industry is needed to ensure a strong industry which can provide shippers and consumers with high-quality service at reasonable rates. Among the many issues of interest to the Committee is the need for further reform of the collective ratemaking process. In 1983 the Motor Carrier Ratemaking Study Commission, established by the Motor Carrier Act of 1980, recommended abolition of antitrust immunity for all trucking industry collective ratemaking activities on July 1, 1984. (Under provisions of the Motor Carrier Act of 1980, only immunity for single-line ratemaking was abolished on that date.)

The Committee also plans to consider the desirability of "sunset" of the ICC's trucking-related functions and the transfer of the ICC's truck safety and insurance responsibilities to the DOT. Such a transfer could be accomplished under DOT's current organizational structure or as part of the creation of a new, separate motor carrier administration at DOT.

The Committee intends to hold hearings on the issue of total deregulation of the trucking industry. The Committee will consider views both supporting and opposing the elimination of entry and rate regulation and collective ratemaking antitrust immunity. The Committee also intends to carefully weigh the needs of shippers and receivers, consumers, the trucking industry, and labor in making any determinations on the need for and scope of further regulation.

FREIGHT FORWARDER DEREGULATION

Freight forwarders are organizations which receive small shipments from a number of shippers, consolidate these shipments, and

dispatch the shipments in full truckloads or rail carloads. Freight forwarders are regulated by the ICC as common carriers.

Historically, freight forwarders have been able to offer lower rates for small shipments than the rates small shippers could have obtained on their own from rail or trucking companies. However, regulatory reform of the trucking and railroad industries has brought greater pricing flexibility and has enabled those industries to compete much more effectively for small shipments traffic. In fact, much of the surface freight forwarding industry believes the industry now is at a significant competitive disadvantage with trucks and railroads.

During 1985, the Committee plans to examine the surface freight forwarding industry and evaluate the need or lack thereof for continued economic regulation of that industry.

UNIFORMITY OF STATE REGULATIONS

Motor carriers traveling in interstate commerce face numerous different regulations imposed by States in such areas as vehicle registration, fuel taxes, and third structure taxes. The Committee intends to examine the desirability of uniformity among State regulations as well as the extent to which State economic regulations affect the operations of interstate motor carriers.

AUTHORIZATION

AMTRAK

The Railroad Passenger Service Act created Amtrak in 1970 to provide railroad passenger service throughout the United States. Under the act, Amtrak receives Federal subsidies to help cover its operating, capital, and labor protection costs.

Last year, the Committee favorably reported a bill that would have reauthorized funds for Amtrak for fiscal years 1984 and 1985. The bill was not acted on by the full Senate.

In February 1985, the administration proposed that all subsidies for Amtrak be eliminated. The Commerce Committee will hold hearings on subsidies for Amtrak and on the need for any changes in the laws governing its operation. The Committee expects to markup legislation.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)

The Committee intends to conduct oversight of NHTSA to determine its effectiveness in carrying out the purposes and Congressional intent of the National Traffic and Motor Vehicle Safety Act, the Motor Vehicle Information and Cost Savings Act, and the Highway Safety Act. On February 21, the full Commerce Committee conducted a hearing on oversight of NHTSA and means of improving highway safety.

During 1981-82, NHTSA modified and replealed several regulations adopted pursuant to these acts. These actions included: (1) Rescission of the passive restraint standard; (2) weakening of the 5 mph bumper standard; (3) revocation of the motor vehicle visibility standard; and (4) rulemakings allowed to lay dormant governing

side-impact crash protection and pedestrian protection in crashes of under 20 mph.

During 1983 and 1984, NHTSA took steps to strengthen highway safety regulation, by issuing rules to require installation of high-mounted rear stoplamps and to allow use of antilacerative windshields in motor vehicles. Further, in response to the U.S. Supreme Court's June 1983 ruling that NHTSA's 1981 rescission of the passive restraint standard had been "arbitrary and capricious", NHTSA issued a new passive restraint standard. This new standard 208 requires automobile manufacturers to install passive restraint (passive seat belts, airbags, or energy-absorbing interiors) in new cars. Using a phased-in schedule, all new cars manufactured for sale in the United States on or after September 1, 1989 must be equipped with passive restraints unless States comprising two-third's of the U.S. population enact mandatory seat belt use laws by April 1, 1989. The Committee intends to evaluate the effectiveness of this policy by closely monitoring NHTSA's implementation of this standard as well as State efforts to enact mandatory seat belt laws.

The Committee also intends to monitor NHTSA's implementation of two major drunk driving statutes. The first, enacted in October 1982, established an incentive grant program to encourage States to strengthen their drunk driving laws and enforcement efforts. This statute also established a computerized National Driver Register to enable State officials to identify problem drivers. The second, enacted in July 1984, requires States to set the minimum legal drinking age at 21 or else lose a portion of their highway construction funds. The 1984 legislation also established incentive grant programs to encourage States to: (1) Enact mandatory sentencing laws for drunk driving offenses; (2) computerize their traffic recordkeeping systems; and, (3) take steps to combat drugged driving.

In 1984, legislation was enacted to combat the rapidly growing national problem of motor vehicle theft. This legislation, the Motor Vehicle Theft Law Enforcement Act of 1984, will assist law enforcement officials in identifying stolen parts and in apprehending thieves. The Committee intends to monitor NHTSA's implementation of this legislation.

The Committee also intends to continue its exmaination of (1) NHTSA's research and development activities; (2) the effectiveness of NTHSA's campaign to promote seat belt use; (3) the role of vehicle safety in occupational deaths and injuries; (4) the need for child passenger safety seats; and (5) the effectivneness of the 55 mph national speed limit.

RAILROAD SAFETY

The Federal Railroad Safety Authorization Act of 1982 authorized funds for fiscal year 1983 and 1984 to support the railroad safety activities of the FRA, as well as funds for the States that help enforce the Federal safety laws. Last year, the Committee favorably reported a bill that would have reauthorized funds for fiscal year 1985 and 1986. The bill was not acted on by the full Senate.

The Committee will hold hearings on the effectiveness of the safety efforts of FRA and the States, and the funding required to support these efforts. It will also consider the need for any additional changes to improve the railroad safety laws. The Committee expects to report legislation.

PIPELINE SAFETY

The Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 provided for DOT's development and enforcement of regulations to govern the safe transportation by pipeline of natural gas and other hazardous liquids, such as gasoline and fuel oil. Last year, legislation was enacted that authorized funds for fiscal year 1985 to support DOT's safety activities, as well as the safety activities of those states that help enforce the Federal safety laws.

The Commerce Committee will hold hearings to examine the effectiveness of the safety efforts of DOT and the States, and the funding required to support these efforts. The Committee expects to report legislation.

OVERSIGHT

MOTOR CARRIER SAFETY ACT OF 1984

Motor carrier safety has long been an issue of considerable interest to the Committee and is of particular concern in light of deregulation and the 1982 legislation to allow longer and wider trucks to operate nationwide. Trucks and buses traveling in interstate commerce and motor carriers transporting hazardous materials are subject to Federal Motor Carrier Safety Regulations administered by the Bureau of Motor Carrier Safety within DOT. Enforcement of these regulations, however, has been constrained due to the small number of Federal inspectors and the limited sanctions available for prosecution of safety regulation violators. Legislation passed during the 97th Congress authorized DOT to make grants to States in fiscal year 1984 through fiscal year 1988 to enforce Federal and compatible State motor carrier safety regulations. The legislation also provided protection for trucking company employees who refuse to drive unsafe vehicles or who report safety violations.

During the 98th Congress, legislation was enacted which: (1) Strengthens the Federal motor carrier safety regulatory and enforcement program; (2) encourages uniformity among State motor carrier safety regulations; (3) requires periodic motor carrier equipment inspections; and (4) requires DOT and ICC to develop a procedure to effectively determine the safety fitness of motor carriers.

The Motor Carrier Safety Act of 1984 requires the Committee to conduct oversight hearings on the implementation and effectiveness of the act. The Committee will conduct an oversight hearing on the 1984 act and will continue to examine DOT's implementation of the State grant program established in 1982.

HIGHWAY SAFETY

The NHTSA within DOT is responsible for motor vehicle safety on our Nation's highways. NHTSA is required to: (1) Establish motor vehicle safety standards; (2) undertake and support safety research and development; (3) order recalls or remedies of automotive defects or failure to comply with safety standards; and (4) provide consumers with information relating to the purchase and maintenance of a motor vehicle. The Committee intends to continue its review of NHTSA's programs. The Committee also will consider legislation to reauthorize NHTSA activities implemented pursuant to the National Traffic and Motor Vehicle Safety Act, the Highway Safety Act, and the Motor Vehicle Information and Cost Savings Act.

The Committee intends to examine the need for NHTSA to establish safety standards to accomplish the following: (1) Require installation of airbags in cars; (2) strengthen the automobile bumper standard to require bumpers to withstand damage in 5 mph crashes; (3) upgrade the side-impact protection standard for cars, vans, and light trucks; and (4) require provision of crashworthiness information to consumers seeking to purchase new cars.

The Committee also intends to explore the extent to which there may be a safety problem associated with "gray market" automobile imports, as well as possible means to combat automobile odometer tampering.

In addition, the Committee will carefully examine the recommendation contained in the President's fiscal year 1986 budget to move the Bureau of Motor Carrier Safety into NHTSA. The Committee wishes to ensure that any such reorganization will enhance safety.

STAGGERS RAIL ACT OF 1980

The Staggers Rail Act of 1980 made significant changes in regulation of the railroad industry by the ICC. These changes were intended to: (1) Improve the economic health of the railroad industry; (2) promote more competition and improve rail service; and, (3) protect shippers through regulation in the absence of effective competition.

The Committee will hold oversight hearings on the Staggers act and on possible legislation directing the ICC to implement the act as originally intended, focusing on the needs of shippers as well as the economic health of the rail industry. As part of this review, the Committee will be examining S. 201 and S. 477, which were introduced by Committee members.

MOTOR CARRIER ACT OF 1980

The Motor Carrier Act of 1980, enacted July 1, 1980, substantially revised the system of Federal economic regulation governing the trucking industry established by the Motor Carrier Act of 1935. In the 1980 act, Congress emphasized the importance of competition, rather than economic regulation, to serve better the public's freight transportation needs.

The 1980 act required the Committee to conduct annual oversight hearings on the ICC's implementation of the act and the effectiveness of the act in achieving the transportation goals contained herein. The Committee conducted oversight hearings in 1981 through 1984. Testimony presented at these hearings shows that trucking regulatory reform has resulted in: (1) Innovative pricing by carriers; (2) lower transportation costs and more service options for shippers; and (3) no deterioration in small community service. The Committee will conduct its final mandated oversight hearing on the impacts of the act in 1985. The Committee will continue to examine closely any concerns raised about: (1) Trucking service to and from small towns; (2) the financial viability of the trucking industry in a less regulated environment; (3) the act's effects on labor; and, (4) potential predatory pricing activities in the trucking industry.

HOUSEHOLD GOODS TRANSPORTATION ACT OF 1980

The Households Goods Transportation Act of 1980, enacted on October 15, 1980, built on the entry and ratemaking reforms of the Motor Carrier Act of 1980. The act encourages competition in the household goods sector of the trucking industry by: (1) Allowing carriers to offer a greater variety of price and service options to consumers; (2) reducing regulation; and, (3) providing for essential consumer protection.

The act requires the Committee to conduct oversight hearings through 1985 to review the implementation and effectiveness of the legislation. The Committee held oversight hearings in 1981 through 1984, and intends to continue this oversight in 1985.

Testimony presented at the 1983 and 1984 oversight hearings showed discrepancies between ICC and DOD policies on various household goods movement issues, such as reweighs of household goods shipments and rate solicitations procedures. The Committee has asked the GAO to examine these discrepancies and report to the Committee. The Committee will continue to investigate this issue as well as the need or lack thereof for continued economic regulation of the household goods moving industry.

BUS REGULATORY REFORM ACT OF 1982

The Bus Regulatory Reform Act of 1982 was enacted September 20, 1982. Although the Motor Carrier Act of 1980 streamlined certain ICC regulations applicable to buses, prior to enactment of the 1982 act, the intercity bus industry functioned primarily under regulations promulgated in response to the provisions of the Motor Carrier Act of 1935.

The Bus Regulatory Reform Act of 1982 places increased reliance on competition for intercity bus operations and gives bus companies increased operating flexibility. The act's entry and ratemaking reform make it easier for carriers to enter the industry or expand their route networks. The act also better enables carriers to tailor their operations to specific markets. The act contains provisions which allow carriers to rationalize their route networks and increase their operating efficiency.

The act requires the Committee to conduct annual oversight hearings through 1985 on the effects of this legislation to ensure its proper implementation. The Committee held oversight hearings on this legislation in 1983 and 1984 and will continue its oversight in 1985. Testimony presented to date shows that the 1982 act is working well overall. The Committee, however, will continue to examine closely any concerns raised about small community service. another issue to be examined is the potential adverse impacts on the private intercity bus industry resulting from allowing subsidized transit operators to offer service which competes with that provided by privately-funded bus companies.

HAZARDOUS MATERIALS TRANSPORTATION

The DOT is responsible for regulating the packaging and transportation of hazardous materials by highway, rail, pipeline, and water. The Committee will continue its review of the Department's programs in this area, specifically with respect to funding for training, enforcement, emergency response and information-gathering efforts. The Committee will also examine the overall coordination of hazardous materials transportation regulation and other activities among the various Federal agencies involved (i.e., DOT, NRC, FEMA, EPA, USCG, NTSB, as well as between the Federal agencies and the appropriate State and local authorities.

In 1984, legislation was enacted to reauthorize DOT's programs implemented pursuant to the Hazardous Materials Transportation Act through fiscal year 1986. That legislation also required DOT and FEMA to evaluate training programs for incident prevention and emergency response. In 1984, the Committee also requested the Congressional Office of Technology Assessment (OTA) to conduct an assessment of the many issues associated with the transportation of hazardous materials. The Committee plans to evaluate carefully the findings of these important research efforts and to continue to examine thoroughly ways to enhance the safety of hazardous materials transportation.

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